



STATE OF MICHIGAN

RICK SNYDER
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

KEVIN ELSENHEIMER
EXECUTIVE DIRECTOR

MEMORANDUM

November 3, 2015

TO: Owners & Management Agents of Tax Credit Properties
Management Agents of Section 8 and Section 236 Project-Based Properties
Management Agents of Multifamily Assisted Properties

FROM: Sherri Davio, Compliance Manager
Rental Development

SUBJECT: Social Security and Supplemental Income Benefits – No COLA Increase for 2016

The Social Security Administration has announced that monthly Social Security and Supplemental Security Income (SSI) benefits will not increase in 2016, as there was no increase in the Consumer Price Index from the third quarter of 2014 to the third quarter of 2015.

The annual cost-of-living adjustment (COLA), is determined each year by the Social Security Administration based on a government measure of inflation observed over the previous year. In 1975, Congress enacted automatic increases for Social Security beneficiaries when inflation was high and there was a lot of pressure to regularly raise benefits. Since then, increases have averaged 4 percent a year. For just the third time in the last 40 years, Social Security recipients will receive no increase in benefits in 2016. The other two years were 2010 or 2011. Inflation this year has been negative because energy prices are lower.

For additional information see attached News Release or click on the following link:

<https://www.ssa.gov/news/press/releases/#!/post/10-2015-1>

Information about Medicare changes for 2016, when available, will be found at www.Medicare.gov. The Department of Health and Human Services has not yet announced Medicare premium changes for 2016. Should there be an increase in the Medicare Part B premium, the law contains a "hold harmless" provision that protects approximately 70 percent of Social Security beneficiaries from paying a higher Part B premium, in order to avoid reducing their net Social Security benefit. Those not protected include higher income beneficiaries subject to an income-adjusted Part B premium and beneficiaries newly entitled to Part B in 2016. In addition, beneficiaries who have their Medicare Part B premiums paid by state medical assistance programs will see no change in their Social Security benefit. The state will be required to pay any Medicare Part B premium increase.

If you have any questions, please contact Compliance Staff at (517) 241-2560.

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